

# California School-Based MAA Manual

## SECTION 4

### MAA Overview

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## **Overview**

DHS and individual school claiming units promote access to health care for students in the public school system, preventing costly or long-term health care problems for at-risk students, and coordinating students' health care needs with other providers. In the School Manual, a "school claiming unit" refers to a school-sponsored program administered by an LEA, which is a school district, COE, SELPA, or State-funded college or university providing Medi-Cal-covered health services. Many of the activities performed by school staff meet the criteria for MAA claiming. The primary purpose of the MAA program is to reimburse school claiming units for these activities, where allowed as described in the School Manual. The term "services" refers to direct Medi-Cal-billable services provided by a Medi-Cal provider in a school or community setting. LEA-billable services are conducted through schools, and these direct services must be reported in Code 2 on the MAA time survey. The term "activities" typically refers to MAA time, which is not claimable through the LEA Billing Option, but is claimable through MAA.

## **Definition**

The MAA program authorizes government entities to submit claims and receive reimbursement for activities that constitute administration of the federal Medicaid program. The program allows school claiming units to be reimbursed for some of their administrative costs associated with school-based health and outreach activities that are not claimable under the LEA Medi-Cal Billing Option or under other Medi-Cal. In general, the school-based health and outreach activities funded under MAA consist of referring students/families for Medi-Cal eligibility determinations, providing health care information and referral, coordinating and monitoring health services, and coordinating services between agencies. OMB Circular A-87 establishes cost principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local government units.

Unlike the LEA Medi-Cal Billing Option, individual claims for each service rendered to or on behalf of a student and the service documentation are not specifically required under the MAA program. However, it is necessary to determine the amount of time school staff spend performing MAA activities. Time spent by school staff on MAA is identified using a time survey. The results of time studies are then used in a series of calculations to determine the percentage of school costs that can be claimed under MAA. MAA reimbursement to school claiming units is made from federal Medicaid funds.

## **Participating in MAA**

To participate in MAA, LEAs, through their LEC/LGA, must enter into a contract with DHS, time survey, complete the Grid, invoice, and maintain an audit file. The Grid, submitted with the invoice, reflects changes to the operational plan (OP) and is supported by the audit file.

## **Constructing Time Activity Codes**

School employees may engage in activities that involve furnishing direct services and/or performing other administrative activities required and covered by education programs, other social programs, and the Medi-Cal program. Some or all of the costs of these services and administrative activities may be claimed under these programs; however, an appropriate claiming mechanism must be used. The time survey identifies and categorizes activities performed by school employees and is used to develop claims for the costs of these administrative activities that may be properly reimbursed under these programs.

The time survey must reflect all of the paid time and activities (whether allowable or unallowable) performed by employees participating in the MAA claiming program. The time survey identifies direct medical and other services and ensures that those costs are not included in the claims for administrative activities. Time survey codes distinguish between each activity an employee is engaged in during a time survey period. The time survey is considered a legal document representing the actual time the person spends performing the MAA activities reported in the invoice.

Each year, DHS will designate a one-week MAA Time Survey period for quarters one, two, three, and four. During each quarter, the designated one-week period for the time survey will vary to ensure a valid basis from which current fiscal year costs are claimed. LECs/LGAs that time-survey during each of the first three quarters may create their fourth quarter time survey results by averaging the results of the first three quarters (see Section 6 for further details on the averaging option).

If a claiming unit wishes to participate, the LEC/LGA must provide training prior to the time survey and maintain training verification. This time survey will be used for processing the invoice from the first day of the quarter in which the time survey is conducted and will remain in effect until the next required time survey period. A time survey must be performed by staff for each quarter in order for the claiming unit to claim reimbursement.

## **Invoicing for MAA**

Claims for MAA reimbursement are submitted by the LEC/LGA to DHS. Each invoice is prepared on a separate detailed quarterly invoice for each claiming unit, as defined in the Grid. Direct invoicing of certain costs are entered in the Direct Charge section. Some Direct Charge costs must be discounted by the Medi-Cal percentage. Direct

charges must be itemized and explained in documentation to be included in the audit file.

The LEC/LGA must prepare and submit a quarterly summary invoice for each claiming unit's detailed invoice. The form for the detailed invoice blends the cost and revenue data into one spreadsheet, which is used to compute the invoice, adjust for all necessary revenues, and apply activity and Medi-Cal discount percentages, where appropriate. The LEC/LGA must provide DHS with complete invoice and expenditure information no later than 15 months after the end of the quarter for which MAA were performed.

### **Contingency Fees**

The costs of contingency fee contracts shall not be claimed under the MAA program. Many school districts or local education agencies have chosen to use the services of consultants. The OMB Circular A-87 states in item 33.a, of Attachment B, Selected Items of Costs, that:

"Cost of professional and consultant services rendered by persons or organizations that are members of a particular profession or possess a special skill, whether or not officers or employees of the governmental unit, are allowable, subject to section 14 when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government."

Medi-Cal claims for the costs of administrative activities and direct medical services may not include fees for consultant services that are based on, or include, contingency fee arrangements. Thus, if payments to consultants by schools are contingent upon payment by Medi-Cal, the consultant fees may not be used in determining the payment rate of school-based services and/or administration.

LEAs may directly contract with consultants to administer parts of the MAA program. Such contracts must comply with all applicable federal requirements (such as competition and sole source provisions, and certified public expenditures) and which are specified in federal regulations. LEAs may not reimburse vendors on a contingency fee basis, and claim that cost on their MAA invoice.

### **Duplicate Payments**

Federal, state, and local governmental resources should be expended in the most cost-effective manner possible. In determining the administrative costs that are reimbursable under Medi-Cal, duplicate payments are **not** allowable. LECs/LGAs may not claim FFP for the costs of allowable administrative activities that have been or should have been reimbursed through an alternative mechanism or funding source. The LEC/LGA must provide assurances to DHS of nonduplication through its administrative claims and the claiming process. Furthermore, in no case should a program or claiming unit in a local jurisdiction be reimbursed more than the actual cost of that program or claiming unit, including state, local, and federal funds.

## **Coordinating Activities**

LEA staff must not claim for activities that are already being offered or should be provided by other entities or through other programs. Claims for duplicate activities can be avoided by close coordination between the school claiming units, COEs, DHS, State Department of Education, providers, the County Health Care Agency, community and non-profit organizations, and other entities related to the activities performed.

Activities provided/conducted by another governmental component shall also be excluded from claims. For example, CHDP educational materials that have already been developed by DHS, such as pamphlets and flyers, must not be claimed as MAA if they are redeveloped by schools. Staff from school claiming units must coordinate and consult with the local DHS office to determine the appropriate activities related to EPSDT/CHDP and to determine the availability of existing materials.

## **Allocable Share of Costs**

Allowable MAA may or may not be directed solely to the Medi-Cal population. Therefore, the costs associated with allowable MAA may be discounted. The DHS-approved discounting methodology is the Actual Client Count (a.k.a., DHS Tape Match), based on total number of Medi-Cal eligibles and the total number of all individuals served by the LEC/LGA claiming unit.

In general, costs associated with MAA are matched at the FFP rate. DHS requires LECs to certify the availability and expenditure of 100 percent of the nonfederal share of the cost of performing MAA. The funds expended for this purpose must be from the LEC claiming unit funds allowed under state and federal law and regulations (per Title 42, Code of Federal Regulations [CFR], Section 433.51: local match must come from a public entity). When a MAA activity code is identified as proportional or discounted, the activity costs claimed for reimbursement must be allocated to both the Medi-Cal and the non-Medi-Cal-eligible students. *The proportion of Medi-Cal-eligible students to the total number of students served by the claiming unit represents the Medi-Cal percentage, which is applied to total costs.* The discounted costs then represent proper administrative claims as required by OMB Circular A-87, which states: “a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.”

## **Provider Participation in the Medi-Cal Program**

MAA reimbursement for administrative activities that support medical services is available only when each of the following requirements is met.

1. The medical services are provided to a Medi-Cal-eligible individual.
2. The medical services are reimbursable under Medi-Cal.

3. The medical services are furnished by a Medi-Cal provider who bills, or will bill for the services. Such billable services include those provided through the LEA Medi-Cal Billing Option.

An LEA does not have to be a participating Medi-Cal provider to claim FFP for referring students to a covered medical service in the community. As long as the provider who renders such services participates in Medi-Cal and the service itself is Medi-Cal reimbursable, the school can receive FFP for the administrative costs related to making the referrals. In this case, the two activities—referral and provision of the service—are not linked for administrative billing purposes, as long as the referral is made to a participating Medi-Cal provider. If an LEA provider is not participating or chooses not to bill Medi-Cal for the service, then the service cannot be reimbursed and the administrative expenditures related to the service are not allowable. **In California, virtually all medical services for children are Medi-Cal-eligible services; therefore, as long as a referral is made for medical reasons, MAA time can be counted. If LEAs are not involved in the LEA Medi-Cal Billing Option, they *will* be subject to a discount for district-employed medical providers who *are not* participating in the billing for services rendered.**

Examples of this principle are:

1. A school is a Medi-Cal-participating provider. The school provides and bills for LEA-billable medical services listed in Medi-Cal-eligible children's IEPs that are covered under the California Medi-Cal state plan. Expenditures for school administrative activities related to school children's medical services for LEA and community Medi-Cal providers billed to Medi-Cal **are allowable**. The activities would be reported under Code 8, "Referral, Coordination, and Monitoring of Medi-Cal Services."
2. A school is not a Medi-Cal-participating provider through the LEA billing program and, consequently, even though it provides medical services (such as speech/language and OT), it does not bill for any direct medical services, including those listed in children's IEPs. In this example, the costs of the administrative activities performed with respect to the medical services delivered by school medical providers (like speech/language and OT) **would not be allowable** under the Medi-Cal program, and such activities would be reported under Code 7, "Referral, Coordination, and Monitoring of Non-Medi-Cal Services." MAA time spent referring to outside/non-school Medi-Cal billing providers is still billable. This will include time spent assisting an individual to obtain transportation to a Medi-Cal-covered service (reported under Code 10).
3. Regardless of whether or not the school is a Medi-Cal participating provider, the school program refers Medi-Cal-eligible children to Medi-Cal-participating providers in the community. If the school performs administrative activities related to the services, which are billed to Medi-Cal by community providers, the costs of such activities **are allowable** under the Medi-Cal program, and such

administrative activities would be reported under Code 8, “Referral, Coordination, and Monitoring of Medi-Cal Services.”

4. Irrespective of whether a school participates in the Medi-Cal program or not, services provided to school children referred to community providers who do not participate in Medi-Cal are not billed to Medi-Cal. In this case, the costs of administrative activities related to medical services **would not be allowable** under Medi-Cal. These activities would be reported under Code 7, “Referral, Coordination, and Monitoring of Non-Medi-Cal Services.”

### **Individual Education Program Activities**

Under the provisions of Part B of IDEA, school staff are required to perform a number of education-related activities that can generally be characterized as child find, evaluation (initial) and reevaluation, and development of an IEP. For purposes of the Medi-Cal program, these IDEA/IEP-related activities are considered education-program-related activities; therefore, they would not be considered allowable costs under the MAA program. However, some of these costs are billable as direct-service Medi-Cal when medical evaluations or assessments are conducted to determine a child’s health-related needs for purposes of the IEP development. These direct-service activities are claimed under Code 2 on the time survey activity form.

### **Third Party Liability (TPL), Medi-Cal as Payor of Last Resort**

The Medi-Cal program is generally the “payor of last resort.” This refers to the principle that Medi-Cal may pay for services and the costs of activities only after other programs or third parties (such as private insurance) have paid for such services or costs of activities. An exception or qualification to this principle relates to medical services contained in a child’s IEP. Medi-Cal may pay for such services if:

- Such services are contained in the child’s IEP,
- The child is eligible for Medi-Cal,
- The services are covered by the Medi-Cal program, and
- The TPL requirements have been met (see below).

Another exception is contained in the Maternal and Child Health Services Block Grant Act Title V (e.g., Cal-SAFE) under which Medi-Cal can pay for the allowable care and services for Medi-Cal eligible mothers and infant.

Therefore, except for special circumstances, ***DHS cannot reimburse for routine school-based vision and hearing screenings or other primary and preventive services provided free of charge to all students.*** For Medi-Cal payment to be available for these services, the provider must:

1. Establish a fee for each service that is available,

2. Collect third party insurance information from all those served (Medi-Cal and non-Medi-Cal), and
3. Bill other responsible third party insurers.

The free care principle is relevant to the construction of time survey activity codes and reporting under such codes by time survey participants as it relates to activities that are subject to payment by other programs. If certain activities or services are specifically provided for under a special program, the cost of such administrative activities related to such programs is not allowable as administrative costs in Medi-Cal. Examples of this principle are:

1. California law requires immunizations be provided to all school children, regardless of the child's income status or whether the child is Medi-Cal eligible. In such a case, the administrative activities related to assisting the child to obtain such immunizations in the school **would not be reimbursable** as a Medi-Cal administrative cost. Therefore, such an activity would be reported under Code 7, not Code 8.
2. The development of an Individual Health Service Plan (IHSP) or a 504 plan under the requirements of the American Disability Act are to have time reported under Code 7: Referral, Coordination, and Monitoring of non-Medi-Cal-Covered Services, Unallowable Activities, and **not Code 8**.
3. LEAs cannot be reimbursed through MAA for the cost of providing direct medical services. For example, the services of a school nurse who attends to a Medi-Cal child's sore throat, sprained ankle, or other acute medical problem are direct medical services and are not MAA. Therefore, such an activity would be reported under Code 2.
4. Medi-Cal **will not pay** for free care-type activities and preventive care service not specified in a child's IEP, if the same service is provided free of charge to non-Medi-Cal students. The administrative activities associated with providing *these* direct services also cannot be billed. Such administrative activities would be reported under Code 7.

### **Third Party Liability Requirements for IEP Services**

Medi-Cal is primary payor to the education agency for services included in an IEP, but is secondary to any other payor. For example:

A screening is provided free of charge to all students. Medi-Cal would not pay for the screen since it falls under the free care provision. However, the screening may lead to the discovery of a needed service included in the IEP of a Medi-Cal-enrolled child. In such case, Medi-Cal could pay for the medically necessary service discovered through the screen (assuming the service is not considered free care). Medi-Cal distinguishes between the screening and the medically necessary service



discovered through the screen, because the school does not bill any third parties for the provision of free screening while it does bill for medical service. The free care provision applies to the particular service in question, and, for this reason, the screening and the service are treated differently for purposes of reimbursement. If the school chooses to participate in the Medi-Cal Billing Option, then Medi-Cal by law is responsible for paying for the medically necessary services in IEPs, as well as the related administrative activities (i.e., the referral).

Therefore, for IEP Medi-Cal students only, MAA time associated with Medi-Cal services after a free screening is conducted is considered claimable only after TPL requirements have been met.

### **Training for School Administrative Claiming**

School staff that perform MAA must be knowledgeable of which activities are eligible for reimbursement under the MAA program. Staff must be familiar with the time survey methodology and how to complete the DHS-approved time survey form. All school staff intended to be included in an OP must participate in training annually to gain an understanding of the definitions of all 100-percent-Medi-Cal-reimbursable (total Medi-Cal) activities, partially reimbursable (proportional Medi-Cal) activities, and nonreimbursable activities that are on the time survey form. Additional staff added to an OP during the fiscal year must also be provided training by the local/regional MAA coordinator prior to time-surveying.

Trainings will include detailed training regarding completing the time survey form and the appropriate methods of capturing the costs of specific activities reimbursed at 50 percent. DHS, in conjunction with the LEC/LGA Committee, will:

1. Develop a DHS-approved training of trainers manual;
2. Conduct a training of trainers annually for LECs and LGAs and their designated agents; and
3. Provide ongoing training and support to each claiming unit on time surveys, OPs, and invoices.

Attendance will be mandatory for LEC and LGA coordinators for these annual MAA training of trainers sessions.

LECs and LGAs, along with their designated agents, will be allowed to develop additional training materials and offer training sessions to their respective claiming units, based on the DHS statewide training materials. DHS and CMS staff will attend random trainings offered by LECs and LGAs to their regional claiming units. Training must be provided prior to the participants' collection of time survey data for each claiming period until all employees and contract staff representing the claiming unit have been trained. Due to training scheduling difficulties, for the beginning of the 2003-04 school year only, time survey trainings will be allowed, if necessary, during the first quarter time survey

period only. Thereafter, all staff listed on the operational plan must have received time survey trainings before their next active quarter time survey period begins.

Only the DHS-approved time survey form shall be used. If there is any question regarding the accuracy of data entered on the form (e.g., the form is incomplete, provided sample activities are not claimable), the local/regional MAA coordinator must contact the individual completing the form and obtain clarification. If clarification cannot be obtained, the data entered for that sample must be discarded and not included in the tabulation of the claim data.

All school staff to be included in the time survey must be provided the opportunity for retraining on a routine basis. Training must be routinely provided on any changes and updates to administrative claiming categories and activities. All new and reassigned staff must participate in training prior to being included in the time survey.

### **Transportation as Administration**

MAA time is claimable only when all the following is met:

- The child receives a Medi-Cal service,
- The service is listed on the IEP,
- Transportation is listed on the IEP, and
- The transportation is specialized.

MAA transportation activities include only the arranging for the student's transportation to and from a location where he or she will receive a Medi-Cal-provided and -billable service. Only IEP-driven specialized transportation services for a child are allowable. Specialized transportation is identified as a bus, van, or other nonemergency vehicle used only for IEP students with transportation listed in their IEP who cannot ride the regular school bus with other non-disabled children. Codes 10 and 11 capture the time spent arranging the transportation of the child to receive the billable service, but do not cover the actual cost of the transportation (e.g., bus fare, taxi fare).

Time spent arranging LEA-billed transportation during the MAA survey week is to be included under Code 2, Direct Medical Services.